



State of Utah

Department of Commerce Division of Public Utilities

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Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Artie Powell, Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Bob Davis, Utility Technical Consultant
Vana Venjimuri, Utility Analyst
Joanna Matyjasik, Utility Analyst

Date: June 1, 2020

Re: **Acknowledge, Docket No. 20-035-21** – Rocky Mountain Power’s Third Annual Sustainable Transportation and Energy Plan Act (“STEP”) Program Status Report.

Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed Rocky Mountain Power’s (“RMP”) Third annual Sustainable Transportation and Energy Plan Act (“STEP”) Program status report (“Report”) for January 1, 2019, through December 31, 2019, per the Utah Public Service Commission’s (“Commission”) Order issued in Docket No. 16-035-36. The Division recommends the Commission acknowledge RMP’s 2019 Report.

Issue

On April 30, 2020, RMP filed with the Commission its third annual report for the STEP Program. On the same day, the Commission issued an action request to the Division to review RMP’s filing for compliance and to make recommendations. The Commission asked the Division to report back by May 29, 2020. On May 5, 2020, the Commission issued its Notice of Filing and Comment Period where any interested party may submit comments on or before June 1, 2020, and reply comments on or before June 16, 2020. This memorandum represents the Division’s response to the Commission’s action request.

Background

Senate Bill 115 (“SB 115”), the Sustainable Transportation and Energy Plan Act, passed during Utah’s 2016 legislative session codified in part as Utah Code Ann. Section 54-7-12.8.¹ That section is now entitled, “Electric energy efficiency, sustainable transportation and energy, and conservation tariff.” Section 54-7-12.8(6) outlines the funding for the STEP Program.

Utah Code Ann. Section 54-20-101 through Section 54-20-105 defines the STEP programs available to large-scale utilities dependent upon Commission approval during the five-year pilot period. The programs authorized within the act include Electric Vehicle Incentive,² Clean Coal Technology,³ and Innovative Utility Programs.⁴

The large-scale utility, with Commission approval, can spend approximately \$10,000,000 per year on various programs authorized by the act including the Electric Vehicle Incentive Program (“EV Program”), which is capped at a use-or-lose \$2,000,000 per year. The other programs, Clean Coal Technology and Innovative Utility, can budget monies year-to-year provided that they do not exceed \$50,000,000, including the EV Program, at the end of the pilot.⁵

On September 12, 2016, RMP filed its application with the Commission to implement programs authorized by the STEP Act. During the Commission’s first scheduling conference on September 21, 2016, the parties agreed to proceed with Docket No. 16-035-36 in what would become five phases and one request to modify funds within the Clean Coal Technology Program. Phase One established the \$50,000,000 funding budget from 2017 through 2021 and the STEP balancing account to hold and track STEP funds, STEP expenditures, and unrecovered Utah Solar Incentive Program (“USIP”) costs, and carrying charges. Phase One also established the cost capitalization of demand-side management (“DSM”) expenditures and the amortization of these costs over a period of 10 years. It also established a regulatory liability using the DSM surcharge funds as a mechanism to depreciate thermal generation plant or other environmental regulation the Commission determines is in the public interest. The Commission’s Phase One Report and

¹ See https://le.utah.gov/xcode/Title54/Chapter7/54-7-S12.8.html?v=C54-7-S12.8_2016051020160510.

² See https://le.utah.gov/xcode/Title54/Chapter20/54-20-S103.html?v=C54-20-S103_2016051020160510.

³ See https://le.utah.gov/xcode/Title54/Chapter20/54-20-S104.html?v=C54-20-S104_2016051020160510.

⁴ See https://le.utah.gov/xcode/Title54/Chapter20/54-20-S105.html?v=C54-20-S105_2016051020160510.

⁵ See Subsection (6), https://le.utah.gov/xcode/Title54/Chapter7/54-7-S12.8.html?v=C54-7-S12.8_2016051020160510.

Order ended the USIP program, proposed revisions to tariff Schedule Nos. 107, 193, 195, and created tariff Schedule No. 196, approved the nitrogen oxide (“NOx”) portions of the Clean Coal Technology Program, approved a Solar and Energy Storage program, and approved a pollution curtailment program at the Gadsby generation facility. Phase Two established the Advanced Substation Metering Program, Commercial Line Extension Program, and other Clean Coal Technology and Innovative Utility programs. Phase Three established the EV pilot study and Time-of-Use (“TOU”) programs. Phase Four established programs to study smart inverter settings and microgrid impacts on the distribution system. On June 28, 2019, the Commission approved Phase Five establishing the Intermodal Hub Project, the Battery Demand Response Project, and the Advanced Resiliency Management System Project.⁶

On November 13, 2018, RMP filed with the Commission its application to modify funding amounts previously authorized by the STEP Plan Act and allocate additional funds to the Solar and Storage Technology Project.⁷ On February 6, 2019, the Commission approved RMP’s application.⁸

On June 28, 2019, the Commission issued its Report and Order approving RMP’s application to add three innovative utility programs under the STEP Act: (1) the Battery Demand Response Project; (2) Intermodal Hub Project; and (3) the Advanced Resiliency Management System Project (“ARMS”).⁹

On July 23, 2019, RMP filed for approval to refund \$3.06 million in surplus revenues collected under the discontinued Schedule 107 related to the canceled Utah Solar Incentive Program (“USIP”) through a reduction in the STEP surcharge collections through Schedule 196. On August 20, 2019, the Commission approved RMP’s request to refund the revenues over twelve months beginning November 1, 2019.¹⁰

⁶ See <https://pscdocs.utah.gov/electric/16docs/1603536/306971AplImplProgAuthSTEP3-8-2019.pdf>.

⁷ See <https://pscdocs.utah.gov/electric/16docs/1603536/305479RMPApp11-13-18.pdf>.

⁸ See <https://pscdocs.utah.gov/electric/16docs/1603536/3065761603536o2-6-2019.pdf>.

⁹ See <https://pscdocs.utah.gov/electric/16docs/1603536/3089131603536rao6-28-2019.pdf>.

¹⁰ See Docket No. 19-035-T12, <https://pscdocs.utah.gov/electric/19docs/19035T12/30972919035T12o8-20-2019.pdf>.

RMP continues to provide informal status updates for select STEP programs (i.e., EV, Microgrid, Solar Storage, Battery Demand, Intermodal Hub, and ARMS) to interested parties since the Commission's original Phase One Report and Order approving the pilot program.¹¹ The Commission ordered RMP to report the annual status of the various programs following a general format¹² agreed to by the parties. RMP requested that it file its STEP report concurrently with its Report of Annual Operations. This is the third annual status report filed by RMP for the STEP Program.

Discussion

The Commission directed RMP to update interested parties annually on the status of all programs approved by the Commission under the STEP Act. The Division is interested in the progress of each program, program funding disseminated in tariff Schedule No. 196, carrying charges, actual expenditures compared to forecast expenditures, and internal operational, maintenance, administrative, and general expenses ("OMAG")¹³ (accounted for within each program), and external OMAG expenses (unknown expenses that occur because of the program) for each program. In addition to expenses relating to the USIP Program, there are sixteen active projects approved by the Commission for this reporting. The Alternative NOx Reduction Project was abandoned and its remaining funds used for other projects. The following summarizes each program's status, budgeted funds, and actual funds spent.

DSM, Regulatory Liability, USIP, and Carrying Charge

RMP includes a summary of the STEP/DSM Assets and Liabilities for calendar years 2017 through 2019 in its report.¹⁴ The Division appreciates RMP's efforts to include this high-level presentation of annual expenditures, annual capitalization, annual expenses, asset and liability balances, and carrying charge for each reporting period. RMP also includes a summary of the USIP Program expenditures per Commission Order in Docket No. 18-035-16.¹⁵

¹¹ Rocky Mountain Power STEP Projects Update on May 19, 2020.

¹² See <https://pscdocs.utah.gov/electric/16docs/1603536/297254CorresWiderburg10-12-2017.pdf>, October 12, 2017.

¹³ Docket No. 16-035-36, Commission Phase One Report and Order, December 29, 2016, at page 16, ¶ 7, Commission Phase Two Report and Order, May 24, 2017, at page 13, ¶ 5, Commission Report and Order, October 31, 2017, at page 12, ¶ 4.

¹⁴ Rocky Mountain Power's Third Annual STEP Program Status Report, April 30, 2020, page 1.1.

¹⁵ Public Service Commission Order, Docket No. 18-035-16, August 3, 2018, page 7, Section 3.

The USIP Program was a 5-year program approved by the Commission in 2012 to reimburse customers who wanted to install distributed solar generation. Prior to SB 115, the USIP program funding came from a surcharge to customers disseminated in tariff Schedule No. 195. SB 115, and later approved by the Commission in its Phase One Order, required RMP to stop taking new applicants into the USIP program after December 31, 2016. RMP's reimbursement obligations to those customers participating in the USIP Program before its absolution still exist and are shown as an expense in the STEP budget.

Both of these surcharges are accrued accounts in RMP's accounting system with associated carrying charges. The carrying charge for revenues collected under Schedule 193, DSM, is calculated using the pre-tax weighted average cost of capital approved by the Commission in the most recent general rate case.¹⁶ The funds collected under Schedule 196, STEP, along with the USIP funds previously collected under Schedule 107 use the average of the annual Aaa and Baa corporate bond interest rates approved by the Commission annually to calculate the carrying charge.¹⁷ The STEP and USIP fund rates are effective from April 1st of each year through March 31st of the following year. The carrying charge reported for 2018 is \$1,026,377.¹⁸

The STEP Plan Act closed the USIP Program and transferred the USIP balance to begin funding the STEP Program. The STEP Plan Act authorized RMP to create a new tariff, Schedule 196, for the collection of funds from customers to augment the USIP balance. The Schedule 196 surcharge helps fund the STEP Program while Schedule 193 (Demand Side Management Cost Adjustment or DSM) established a regulatory asset and liability account where energy efficiency project expenses are capitalized and Schedule 193 funds collected are accumulated to offset coal plant retirements.

At the conclusion of the USIP Program on December 31, 2016, Residential and Small Non-Residential had 12 months to complete projects from the time the capacity reservation was secured.¹⁹ Large Non-Residential customers had 18 months to complete projects from the time

¹⁶ See Section (2)(b)(iii), <https://codes.findlaw.com/ut/title-54-public-utilities/ut-code-sect-54-7-12-8.html>.

¹⁷ *Id.*, Section (7)(d).

¹⁸ Rocky Mountain Power's Third Annual STEP Program Status Report, April 30, 2020, page 1.0.

¹⁹ See RMP Tariff Schedule No. 107, Program Process, ¶6. RMP claims in its Report that residential and small non-residential had to have their projects completed by December 31, 2017 to receive incentive funding.

the reservation capacity was reserved.²⁰ Residential and Small Non-Residential installation completion expired on December 31, 2017, and Large Non-Residential on June 30, 2018. No further projects for Large Non-Residential are pending.

This year’s filing illustrates a USIP expense amount of \$2,173,740 for 2019 and \$147,937 of carrying charges.²¹ The 2019 USIP Account Balance (Schedule 107 Only) is \$6,718,332.²² The Division includes minor revisions reported by RMP in Table 1 below from its 2018 annual report including two months of surcharge refunds of \$227,376 explained above.²³

Table 1

Utah Solar Incentive Program Account - Through 2019 (Schedule 107 Revenues Only)

	Program Total	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenue	(26,298,037)	(961,324)	(6,293,704)	(6,320,828)	(6,317,639)	(6,323,285)	(308,633)	0	227,376
Program Expenditures:									
Incentive	22,031,488	0	981,796	2,328,676	3,292,006	4,884,763	4,766,963	3,459,713	2,317,571
Program Administration	1,298,136	0	253,665	322,664	173,248	412,866	94,788	27,098	13,807
Marketing	132,495	55,905	35,744	25,995	14,515	336	0	0	0
Program Development	130,465	30,748	99,140	577	0	0	0	0	0
Expired Deposits	(361,169)	0	0	0	0	(103,963)	(99,568)	0	(157,638)
Post CY 2018 STEP Entry	0						0	0	0
Cool Keeper program	(200,000)	0	0	0	0	(200,000)	0	0	0
Total Expenditures	23,031,414	86,653	1,370,345	2,677,912	3,479,769	4,994,002	4,762,183	3,486,811	2,173,740
Interest	(3,451,709)	(5,995)	(219,165)	(473,909)	(721,712)	(685,628)	(627,425)	(569,938)	(147,937)
USIP Account Balance (Sch. 107 only)	(6,718,332)								

Electric Vehicle Incentive Program

The EV Program is the only STEP program that has an annual use-or-lose budget.²⁴ The Commission approved the EV Program on June 28, 2017, and includes funding for a TOU Rate Pilot, Administrative, Outreach, and charging infrastructure incentives. RMP uses its best efforts to spend the \$2,000,000 annually constrained by the timing of charger installations. RMP awards incentives for various levels of customers under two time horizons. Prescriptive incentives (Non-Residential AC Level 2 Chargers-Single Port, Non-Residential AC Level 2 Chargers-Multi Port, and Non-Residential & Multi-Family DC Fast Chargers) follow a fiscal year from October 1st

²⁰ Customers would have until June 30, 2018 to complete projects for large non-residential projects approved by December 31, 2016.

²¹ Rocky Mountain Power’s Third Annual STEP Program Status Report, April 30, 2019, page 19.0.

²² Id.

²³ Id.

²⁴ See 54-7-12.8(6)(b)(i), https://le.utah.gov/xcode/Title54/Chapter7/54-7-S12.8.html?v=C54-7-S12.8_2016051020160510.

through September 30th each plan year.²⁵ Committed funds for custom incentives follow the calendar year. Custom incentives are paid at the completion of the project and often adjusted from the initial incentive request. Custom incentives are booked in the program year and expensed in the next year's STEP EV account.

The expenses reported (including committed funds) in 2019 relating to the TOU Pilot Meters, Administrative, and Outreach comprise \$390,028. RMP reports \$940,532 of prescriptive incentives paid in 2019 comprised of 573 AC Level 2 and DC Fast charging ports from October 1, 2018, through September 30, 2019.²⁶ Finally, RMP reports \$669,439 in Committed Custom Incentives. The committed \$669,439 in custom projects (Projects 14, 15, and 16) is comprised of 66 AC Level 2 charging ports, 45 AC Level 2 charging ports, 18 AC Level 2 charging ports, and 10 DC Fast charger ports, respectively. This equates to an estimated \$2,000,000 in annual spending.²⁷

The actual expenditure for 2019, including 2019 Budget commitments for projects that are completed from October 1, 2018 through December 31, 2018, in 2019, is \$1,824,139. Table 2 summarizes the Electric Vehicle Incentive Program expensed and committed in 2019 and ties to 2019 Annual STEP Status Report-STEP and USIP Accounting, page 1.0.

²⁵ Commission Phase 3 Report and Order, June 28, 2017, page 4-5. RMP witness William J. Comeau, Direct Testimony, lines 180-181, "...however, applications at that point may be considered as part of the subsequent PEV Program year and associated available funds."

²⁶ Rocky Mountain Power's Third Annual STEP Status Report, Exhibit 2-A.

²⁷ Id., Table 1, page 2.0.

Table 2

2019 Electric Vehicle Charging Infrastructure

Program	2019 Calendar Year Expenses	2019 Budget Commitments	Program Management	Actual 2019 Expenses and Commitments
Time of Use Rate Sign-Up	\$ 28,600	\$ -	\$ -	\$ 28,600
Time of Use Load Research Study	\$ 17,000	\$ -	\$ -	\$ 17,000
Time of Use Meters	\$ -	\$ -	\$ 554	\$ 554
Non-Res AC Level 2 Single Port Chargers	\$ 108,565	\$ -	\$ -	\$ 108,565
Non-Res AC Level 2 Single Multi-Port Chargers	\$ 507,770	\$ -	\$ -	\$ 507,770
Non-Res & Multi Family DC Fast Chargers	\$ 265,678	\$ -	\$ -	\$ 265,678
Custom Project Commitments	\$ -	\$ 506,498	\$ -	\$ 506,498
Administrative Costs	\$ -	\$ -	\$ 127,959	\$ 127,959
Outreach & Awareness Expenditures	\$ -	\$ -	\$ 261,515	\$ 261,515
Exrternal OMAG	\$ -	\$ -	\$ -	\$ -
Total	\$ 927,613	\$ 506,498	\$ 390,028	\$ 1,824,139

The Commission’s Phase Three Order adopted the parties’ suggestion for additional reporting requirements relating to the EV TOU portion of the program.²⁸ RMP provides updates for the EV Program and TOU Pilot to stakeholders during each plan year.

The Division’s review of the EV Program portion of RMP’s 2019 report found it to be reasonably explanatory in detail. The Division concludes that RMP followed the Commission’s 2018 Order in additional reporting requirements for the EV Program. RMP used \$1,824,139 of the \$2,000,000 available 2019 EV Program funds.²⁹

Clean Coal Technology Programs

RMP recommended in its, 2017 report, that the Alternative NOx Reduction Project be abandoned and the remaining funds be allocated to other programs. The Commission approved RMP’s request to abandon the Alternative NOx Project in its Order dated August 3, 2019.³⁰ On November 13, 2018, RMP filed its application with the Commission to modify funding amounts for previously approved STEP programs under the Clean Coal Technology Program.³¹ On

²⁸ Commission, Phase Three Report and Order, Docket No. 16-035-36, June 28, 2017, Exhibit D, EV TOU Pilot Reporting Requirements.

²⁹ The actual expenses reported for the calendar year are different than Table 1, page 2.0, due to SAP reporting for 2019 and the fiscal aspect of the committed expenses for projects completed in 2020.

³⁰ Public Service Commission Order, Docket No. 16-035-36, August 3, 2018, page 7, Section 2.

³¹ Rocky Mountain Power’s Application to Modify Funding Amounts Previously Authorized by the STEP Plan Act, November 13, 2018.

February 6, 2019, the Commission approved RMP’s application to reallocate the remaining funds from the Alternative NOx Reduction project comprised of \$748,980 to the Woody Waste Co-Fire Project, and \$412,521 to the Cryogenic Carbon Capture Project.³²

RMP adjusted its 2019 SAP accounts to include 2018 external OMAG expenses. RMP provides an explanation for each external OMAG expense in this year’s report following the Commission’s Order in Docket No. 18-035-16. The external OMAG expense consists of \$42,133 for a contractual payment to the University of Utah for services performed on the CO₂ Enhanced Coal Bed Methane Recovery Project, \$711,750 contained in the Cryogenic Carbon Capture Project for contractual payments to Sustainable Energy Solutions for services performed on the project, and \$83,057 paid to Brigham Young University for completed milestones.

Table 3

2019 Clean Coal Technology Programs

Program	Status	Budget	Spend	External OMAG	Total
Woody-Waste Co-Fire Biomass	On-Target	\$ 515,668	\$ 588,943	\$ -	\$ 588,943
Neural Network Optimization	Complete	\$ 216,718	\$ 231,621	\$ -	\$ 231,621
Alternative NOx Reduction	Cancelled	\$ -	\$ -	\$ -	\$ -
CO ₂ Enhanced Coal Bed Methane Recovery	On-Target	\$ 42,133	\$ -	\$ 42,133	\$ 42,133
Cryogenic Carbon Capture (CCC)	On-Target	\$ 412,521	\$ -	\$ 711,750	\$ 711,750
CarbonSafe	Complete	\$ -	\$ -	\$ -	\$ -
Solar Thermal Integration - Hunter Plant	On-Target	\$ 187,000	\$ -	\$ 83,057	\$ 83,057
Total		\$ 1,374,040	\$ 820,564	\$ 836,940	\$ 1,657,504

The remaining Clean Coal Technology Programs are on-target but slightly higher than the revised budget of \$1,505,259 including the budget modifications reported above.³³

Innovative Utility Programs

In its November 13, 2018 application filed with the Commission to modify funding amounts for previously approved STEP programs, RMP requested higher incentive amounts for the Commercial Line Extension Project and additional funding for the Panguitch Solar plus Storage

³² Public Service Commission Order, Docket No. 16-035-36, February 6, 2019, page 11, Section 1.

³³ Docket No. 16-035-36, In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Act, March 8, 2019, Updated Table 1 STEP Funding Budget, at page 4.

Project. On February 6, 2019, the Commission approved RMP’s application to raise the incentive amount for the Commercial Line Extension project from \$50,000 to \$250,000. The original maximum budget amount of \$2,500,000 for the project remains the same.³⁴ RMP reflects the additional \$1.75 million of approved funds for the Panguitch Solar plus Storage Project in this year’s report.³⁵

RMP reports no external OMAG expenses in the Innovative Utility Program in this year’s report. RMP has recorded the \$439,244 reported last year in this year’s expenses. Table 4 summarizes the Innovative Utility program expenses for 2019.

Table 4
2019 Innovative Utility Program

Program	Status	Budget	Spend	External OMAG	Total
Advanced Substation Metering	Complete	\$ 440,000	\$ 451,777	\$ -	\$ 451,777
Commercial Line Extension	On-Going	\$ 500,000	\$ 81,743	\$ -	\$ 81,743
Gadsby Emissions Curtailment	On-Going	\$ 100,000	\$ 7,067	\$ -	\$ 7,067
Panguitch Solar and Energy Storage	On-Target	\$ 5,900,000	\$ 6,373,549	\$ -	\$ 6,373,549
Microgrid	On-Target	\$ 110,000	\$ 77,717	\$ -	\$ 77,717
Smart Inverter	Complete	\$ -	\$ -	\$ -	\$ -
Battery Demand Response	On-Target	\$ -	\$ 4,270	\$ -	\$ 4,270
Intermodal Hub	On-Target	\$ -	\$ 802,510	\$ -	\$ 802,510
Advanced Resiliency Management System ARMS	On-Target	\$ 1,430,000	\$ 39,931	\$ -	\$ 39,931
Total		\$ 8,480,000	\$ 7,838,564	\$ -	\$ 7,838,564

The Innovative Utility Program is on-target with the Advanced Substation Metering and Smart Inverter Projects complete. The program is within the revised project budget of \$11,151,911.³⁶

Budget Summary

The beginning balance for 2019 was \$23,946,249.³⁷ Surcharge Collections through Schedule No. 196 for 2019 was \$10,007,474. The Division concludes the variance between the \$10,007,474 collected in 2019 is reasonable compared to the \$10,000,000 allocation authorized by the

³⁴ Public Service Commission Order, Docket No. 16-035-36, February 6, 2019, page 11, Section 2.

³⁵ *Id.*, Section 3.

³⁶ Docket No. 16-035-36, In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Act, March 8, 2019, Updated Table 1 STEP Funding Budget, at page 4.

³⁷ Rocky Mountain Power’s Third Annual STEP Program Status Report, April 30, 2020, page 1.0.

Commission. The Division concludes the surcharge rates under Schedule 136 appear to be reasonable. The Division plans to review the surcharge collections in subsequent reporting years.

Total expenditure for 2019 including the external OMAG expenses reported above for the Clean Coal Technology is \$13,493,946. The 2019 carrying charge is \$1,026,377. The 2019 ending balance is \$21,486,154. Table 5 summarizes the STEP Program budget for 2019.

Table 5

2019 STEP Program Budget	
Beginning Balance	\$ 23,946,249
Surcharge Collections	\$ 10,007,474
Less: 2018 Spend	\$ (13,493,946)
Carrying Charge	\$ 1,026,377
Ending Balance	\$ 21,486,154

The Division notes that the carrying charge reported by RMP contains a variance of \$1,794. The Division spoke with RMP about the difference and concludes the difference is insignificant. The variance is due to prior year true-ups that are in addition to the carrying charge calculations for each month.³⁸

Table 6 illustrates the cumulative totals for 2017 through 2019.

Table 6

2017-2019 Cummulative STEP Program Budget	
Beginning Balance	\$ 15,850,031
Surcharge Collections	\$ 30,490,421
Less: Spend	\$ (27,504,205)
Carrying Charge	\$ 2,649,907
Ending Balance	\$ 21,486,154

Compared to the original combined expense forecast of \$20,405,955 for 2017 through 2019, the modifications to the original projects reported above and the new innovative projects authorized by the Commission in Phase Five increased the cumulative spend significantly. The combined surcharge collection of \$30,490,421 and carrying charge of \$2,649,907 offsets the spend

³⁸ RMP response to DPU Data Request 3.1 in Docket No. 19-035-17.

resulting in the STEP Program running as expected with a surplus of approximately \$1.5 million for the remainder of the STEP Pilot.

Exit Strategy

On November 12, 2019, RMP conducted a meeting with interested parties regarding the exit strategy for the STEP program as it sunsets in 2021. The topics of discussion included: (1) remaining unspent STEP funds; (2) ongoing STEP costs; (3) final accounting; (4) final report timing; and (5) exit meeting report to the Commission contained in RMP's filing.³⁹

Conclusion

The Division has reviewed RMP's third annual STEP Program status report for January 1, 2019 through December 31, 2019 per the Commission's Order issued in Docket No. 16-035-36. The Division concludes RMP followed the Commission's Orders for additional reporting requirements through Phase Five of this proceeding. Therefore, the Division recommends the Commission acknowledge RMP's 2019 STEP Annual Status Report.

Cc: Joelle Steward, RMP
Jana Saba, RMP
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Service List

³⁹ See Docket No. 16-035-36, June 28, 2019, page 11, ¶ 5,
<https://pscdocs.utah.gov/electric/16docs/1603536/3089131603536rao6-28-2019.pdf>.